

## § 985.108

(6) Specify time frames for achievement of each goal, including intermediate time frames to complete each key task; and

(7) Provide for regular evaluation of progress toward improvement.

(8) Be signed by the PHA board of commissioners chairperson and by the PHA executive director. If the PHA is a unit of local government or a state, the corrective action plan must be signed by the Section 8 program director and by the chief executive officer of the unit of government or his or her designee.

(d) *Monitoring.* The PHA and HUD must monitor the PHA's implementation of its corrective action plan to ensure performance targets are met.

(e) *Use of administrative fee reserve prohibited.* Any PHA assigned an overall performance rating of troubled may not use any part of the administrative fee reserve for other housing purposes (see 24 CFR 982.155(b)).

(f) *Upgrading poor performance rating.* HUD shall change an PHA's overall performance rating from troubled to standard or high performer if HUD determines that a change in the rating is warranted because of improved PHA performance and an improved SEMAP score.

(Information collection requirements in this section have been approved by the Office of Management and Budget under control number 2577-0215)

[63 FR 48555, Sept. 10, 1998, as amended at 68 FR 37672, June 24, 2003]

## § 985.108 SEMAP records.

HUD shall maintain SEMAP files, including certifications, notifications, appeals, corrective action plans, and related correspondence for at least 3 years.

(Information collection requirements in this section have been approved by the Office of Management and Budget under control number 2577-0215)

## § 985.109 Default under the Annual Contributions Contract (ACC).

HUD may determine that an PHA's failure to correct identified SEMAP deficiencies or to prepare and implement a corrective action plan required by HUD constitutes a default under the ACC.

## 24 CFR Ch. IX (4-1-04 Edition)

### Subpart C—Physical Assessment Component [Reserved]

## PART 990—THE PUBLIC HOUSING OPERATING FUND PROGRAM

### Subpart A—The Operating Fund Formula

Sec.

990.101 Purpose.

990.102 Definitions.

990.103 Applicability of the Operating Fund Formula.

990.104 Determination of amount of operating subsidy under the Operating Fund Formula.

990.105 Computation of allowable expense level.

990.106 Transition funding for excessively high-cost PHAs.

990.107 Computation of utilities expense level.

990.108 Other costs.

990.109 Projected operating income level.

990.110 Adjustments.

990.111 Submission and approval of operating subsidy calculations and budgets.

990.112 Payments procedure for operating subsidy under the Operating Fund Formula.

990.113 Payments of operating subsidy conditioned upon reexamination of income of families in occupancy.

990.114 Phase-down of subsidy for units approved for demolition.

990.116 Increases in dwelling rental income.

990.117 Determining actual and requested budget year occupancy percentages.

990.120 Audits.

990.121 Effect of rescission.

### Subpart B—Financial Management Systems, Monitoring and Reporting

990.201 Purpose—General policy on financial management, monitoring and reporting.

990.202 Applicability.

### Subpart C—Project-Based Accounting

990.301 Applicability.

990.305 Definitions.

990.310 Project-based accounting.

990.315 Records and reports.

990.320 Certifications.

990.325 Compliance dates.

### Subpart D—Resident Management Corporations Operating Subsidy

990.401 Calculation of operating subsidy.

990.402 Calculation of total income and preparation of operating budget.

990.403 Adjustments to total income.

990.404 Retention of excess revenues.

990.405 Use of retained revenues.

AUTHORITY: 42 U.S.C. 1437g and 3535(d).

SOURCE: 41 FR 55676, Dec. 21, 1976, unless otherwise noted. Redesignated at 49 FR 6714, Feb. 23, 1984.

NOTE: It is hereby certified that the economic and inflationary impacts of this regulation have been carefully evaluated in accordance with OMB Circular A-107.

### Subpart A—The Operating Fund Formula

SOURCE: 66 FR 17287, Mar. 29, 2001, unless otherwise noted.

#### § 990.101 Purpose.

This subpart implements section 9(f) of the United States Housing Act of 1937 (42 U.S.C. 1437g) (referred to as “the 1937 Act”). Section 9(f) establishes an Operating Fund for the purposes of making assistance available to public housing agencies (PHAs) for the operation and management of public housing. The assistance made available from the Operating Fund is determined using a formula developed through negotiated rulemaking procedures. This subpart describes the policies and procedures for operating subsidy calculations under the Operating Fund Formula.

#### § 990.102 Definitions.

*Allowable Expense Level (AEL).* The per unit per month dollar amount of expenses (excluding Utilities and expenses allowed under § 990.108) computed in accordance with § 990.105, which is used to compute the amount of operating subsidy.

*Allowable Utilities Consumption Level (AUCL).* The amount of Utilities expected to be consumed per unit per month by the PHA during the Requested Budget Year, which is equal to the average amount consumed per unit per month during the Rolling Base Period.

*Base Year.* The PHA’s fiscal year immediately preceding its first fiscal year of receipt of operating subsidy under this part (either under the Operating Fund Formula or its predecessor, the Performance Funding System (PFS)).

*Base Year Expense Level.* The expense level (excluding Utilities, audits and certain other items) for the Base Year, computed as provided in § 990.105.

*Current Budget Year.* The fiscal year in which the PHA is currently operating.

*Dwelling rent.* The amount charged monthly for a dwelling unit occupied by a resident or family eligible for public housing as determined in § 960.253 of this title. For purposes of determining subsidy eligibility, the dwelling rent will not reflect decreases resulting from the PHA’s implementation of any optional earned income exclusions.

*Formula.* The revised formula derived from the actual expenses of the sample group of PHAs receiving assistance under the Operating Fund Formula, which is used to determine the Formula Expense Level and the Range of each PHA (see § 990.105(c)).

*FHA-based operating expense level (FHAEL).* The per unit per month dollar amount of expenses (excluding utilities and expenses allowed under § 990.108) computed in accordance with § 990.105(e), which is used on a one-time basis to adjust the AEL for selected PHAs.

*Formula Expense Level.* The per unit per month dollar amount of expenses (excluding Utilities and audits) computed under the Formula, in accordance with § 990.105.

*HUD Field Office.* The HUD Field Office that has been delegated authority under the U.S. Housing Act of 1937 to perform functions pertaining to this subpart for the area in which the PHA is located.

*Local Inflation Factor.* The HUD-supplied weighted average percentage increase in local government wages and salaries for the area in which the PHA is located and non-wage expenses.

*Long-term vacancy.* This term means the same as it is used in the definition of “Unit Months Available” in this section.

*Nondwelling rent.* The amount charged monthly, including utility and equipment charges, to a lessee for a dwelling unit that is being used for nondwelling purposes. For purposes of determining operating subsidy:

(1) If the nondwelling unit has been approved for subsidy (e.g., the unit is being used for economic self-sufficiency services or anti-drug activities) at the rate of the PHA’s AEL, the PHA